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Nordstrom's suburban performance outpaces urban stores

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A Nordstrom location in Walnut Creek, CA. Image credit: Google Maps

By LUXURY DAILY NEWS SERVICE

U.S. department store chain Nordstrom finished 2021 within the company's fiscal expectations, reporting net earnings of \$200 million for the quarter ended January 29, 2022.

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Net sales increased 23 percent compared to the same period in 2020 and decreased only 1 percent compared to the same period in 2019. Full-year revenue for the fiscal year 2021, including retail sales and credit card revenues, also increased 38 percent compared to 2020.

"We advanced our strategic initiatives this quarter, with sequential sales improvement, strong digital growth and a significant increase in profitability," said Erik Nordstrom, CEO of **Nordstrom, Inc.**, in a statement. "Our team continues to work with urgency to accelerate our progress and invest in our capabilities to better serve customers and profitably grow sales.

Looking forward

Sales in the home, active, designer, beauty and kids categories showed the strongest growth compared with the fourth quarter of 2019.

Digital sales in the fourth quarter fell 1 percent compared with the same period in 2020 and increased 23 percent compared with the same period in 2019. Digital sales represented 44 percent of total sales during Q4 and 42 percent of sales for the fiscal year.



Nordstrom New York. Image credit: Nordstrom

Nordstrom concluded the year with \$1.1 billion in liquidity including \$322 million in cash and the full \$800 million available on its revolving line of credit.

"Our primary focus is on three areas: improving Nordstrom Rack performance, increasing profitability and optimizing our supply chain and inventory flow," Mr. Nordstrom said. "Our progress has given us line of sight to achieve in the coming year the financial targets we presented at our 2021 Investor Event."

Suburban stores continued to perform stronger than urban stores in the fourth quarter and Nordstrom's locations in the southern markets outperformed the northern markets by 7 percentage points.

Suburban retail continues to thrive as luxury brands and retailers work to expand their presences in these areas.

According to analytics platform Placer.ai, top tier malls across the United States steadily recovered throughout last year, with indoor mall visits in July 2021 rising 1 percent above visits in July 2019. The platform also found that the suburban shift is also here to stay, and it is going to give a significant boost to suburban-based retail ([see story](#)).

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